



OFFICE OF  
**INSPECTOR GENERAL**  
U.S. DEPARTMENT OF THE INTERIOR

**U.S. FISH AND WILDLIFE SERVICE WILDLIFE AND SPORT FISH  
RESTORATION PROGRAM**

Grants Awarded to the State of Florida, Fish and Wildlife Conservation  
Commission

From July 1, 2014, Through June 30, 2016



OFFICE OF  
**INSPECTOR GENERAL**  
U.S. DEPARTMENT OF THE INTERIOR

JUL 03 2018

Memorandum

To: Greg Sheehan  
Principal Deputy Director, U.S. Fish and Wildlife Service

From: Nicki Miller *Nicki Miller*  
Eastern Region Manager

Subject: Final Audit Report – U.S. Fish and Wildlife Service Wildlife and Sport Fish Restoration Program Grants Awarded to the State of Florida, Fish and Wildlife Conservation Commission, From July 1, 2014, Through June 30, 2016  
Report No. 2017-EXT-021

This report presents the results of our audit of costs claimed by the State of Florida's Fish and Wildlife Conservation Commission under grants awarded by the U.S. Fish and Wildlife Service (FWS). The FWS provided the grants to the State under the Wildlife and Sport Fish Restoration Program. The audit included claims totaling approximately \$121 million on 100 grants that were open during the State fiscal years that ended June 30, 2015, and June 30, 2016 (see Appendix 1). The audit also covered the Commission's compliance with applicable laws, regulations, and FWS guidelines, including those related to the collection and use of hunting and fishing license revenues and the reporting of program income.

We found that the Commission complied, in general, with applicable grant accounting and regulatory requirements. The Commission, however, had not submitted Federal financial reports in a timely manner on a number of grants and appeared to exceed the Federal share on four grants.

We provided a draft of the report to the FWS for a response. The FWS concurred with our recommendation and will work with the Commission to implement it. We list the status of the recommendation in Appendix 3.

Please provide us with a corrective action plan based on our recommendation by October 1, 2018. The plan should provide information on actions taken or planned to address the recommendation, as well as target dates and title(s) of the official(s) responsible for implementation. Formal responses can be submitted electronically. Please address your response to me and submit a signed PDF copy to [aie\\_reports@doioig.gov](mailto:aie_reports@doioig.gov). If you are unable to submit your response electronically, please send your response to me at:

U.S. Department of the Interior  
Office of Inspector General  
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Herndon, VA 20170

The legislation creating the Office of Inspector General requires that we report to Congress semiannually on all audit reports issued, actions taken to implement our recommendations, and recommendations that have not been implemented.

If you have any questions regarding this report, please contact me at 202-208-5745.

cc: Regional Director, Region 4, U.S. Fish and Wildlife Service

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# Introduction

## Background

The Pittman-Robertson Wildlife Restoration Act and the Dingell-Johnson Sport Fish Restoration Act<sup>1</sup> established the Wildlife and Sport Fish Restoration Program. Under the Program, the U.S. Fish and Wildlife Service (FWS) provides grants to States to restore, conserve, manage, and enhance their wildlife and sport fish resources. The Acts and Federal regulations contain provisions and principles on eligible costs and allow the FWS to reimburse States up to 75 percent of the eligible costs incurred under the grants. The Acts also require that hunting and fishing license revenues be used only for the administration of the States' fish and game agencies. Finally, Federal regulations and FWS guidance require States to account for any income they earn using grant funds.

## Objectives

We conducted this audit to determine whether the State of Florida's Fish and Wildlife Conservation Commission:

- Claimed the costs incurred under the Program grants in accordance with the Acts and related regulations, FWS guidelines, and grant agreements
- Used State hunting and fishing license revenues solely for fish and wildlife program activities
- Reported and used program income in accordance with Federal regulations

## Scope

Audit work included claims totaling approximately \$121 million on the 100 grants open during the State fiscal years (SFYs) that ended June 30, 2015, and June 30, 2016 (see Appendix 1). We report only on those conditions that existed during this audit period. We performed our audit at the Commission's headquarters in Tallahassee, FL, and visited regional offices, district offices, fish hatcheries, wildlife management areas, boat access sites, and shooting and archery ranges (see Appendix 2).

We performed this audit to supplement—not replace—the audits required by the Single Audit Act.

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<sup>1</sup> 16 U.S.C. §§ 669 and 777, as amended, respectively.

## **Methodology**

We conducted this audit in accordance with Generally Accepted Government Auditing Standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Our tests and procedures included:

- Examining the evidence that supports selected expenditures charged to the grants by the Commission
- Reviewing transactions related to purchases, direct costs, drawdowns of reimbursements, in-kind contributions, and program income
- Interviewing Commission employees to ensure that personnel costs charged to the grants were supportable
- Conducting site visits to inspect equipment and other property
- Determining whether the Commission used hunting and fishing license revenues solely for the administration of fish and wildlife program activities
- Determining whether the State passed required legislation assenting to the provisions of the Acts

We also identified the internal controls over transactions recorded in the labor- and license-fee accounting systems and tested their operation and reliability. Based on the results of initial assessments, we assigned a level of risk to these systems and selected a judgmental sample of transactions for testing. We did not project the results of the tests to the total population of recorded transactions or evaluate the economy, efficiency, or effectiveness of the Commission's operations.

We relied on computer-generated data for other direct costs and personnel costs to the extent that we used these data to select Program costs for testing. Based on our test results, we either accepted the data or performed additional testing. For other direct costs, we took samples of costs and verified them against source documents such as purchase orders, invoices, receiving reports, and payment documentation. For personnel costs, we selected Commission employees who charged time to Program grants and verified their hours against timesheets and other supporting data.

## **Prior Audit Coverage**

On May 18, 2012, we issued *Audit on U.S. Fish and Wildlife Service Wildlife and Sport Fish Restoration Program Grants Awarded to the State of Florida Fish and Wildlife Conservation Commission From July 1, 2009, Through June 30, 2011* (Report No. R-GR-FWS-0006-2012).

We followed up on all nine recommendations in the report and found that the U.S. Department of the Interior's Office of the Assistant Secretary for Policy, Management and Budget considered the recommendations resolved and implemented.

We reviewed single audit reports for SFYs 2014 and 2015. None of these reports contained any findings that would directly affect the Program grants.

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# Results of Audit

## Audit Summary

We found that the Commission complied, in general, with applicable grant agreement provisions and requirements of the Acts, regulations, and FWS guidance. We identified, however, the following conditions that resulted in our findings:

- A. **Late Submission of Federal Financial Reports.** The Commission submitted its Federal Financial Reports late on multiple occasions.
- B. **Appearance of Exceeding the Allowed Federal Share.** The Commission appeared to receive \$203,589 in excess Federal reimbursement across four grants.

## Findings and Recommendations

### A. Late Submission of Federal Financial Reports

At the completion of each grant, the Commission is required to submit the Federal financial report (FFR) within 90 days. The Commission may request an additional 90 days from the FWS, but must justify why it needs extra time before the FWS will approve an extension. We identified 40 instances where the Commission did not submit the FFRs in a timely manner, in some instances even with an extension.

The FWS has stated in its award letters that, when requesting an extension, the State must provide a reason why it needs the extra time. We saw little evidence of the Commission justifying its extension requests. Further, we found that in 31 of the 40 instances, the Commission did not request an extension or missed the extension date, and the FWS did not follow up to ask about the status of the FFR or to find out why the Commission did not request an extension.

According to the Code of Federal Regulations (43 C.F.R. § 12.81(b)(3) and (4)), grantees are to submit the required FFR within 90 days of the end of the grant. The *FWS Service Manual* (516 FW 2.17) allows the FWS to grant an additional 90 days to submit the FFR. This additional extension must be requested at least 1 day before the original due date, and the request must include the type of report, the new due date, and a reason for the extension. The FWS is required to provide approval in writing and maintain documentation of the approval.

Both the Commission and FWS Region 4 acknowledged that neither office has a reliable tracking system to determine when the reports are due.



We identified 40 reports that were not submitted in a timely manner, including one that was due in March 2015 but was not submitted until December 2016. The Commission explained the delay was due to a subrecipient not submitting an invoice in a timely manner. When the Commission received the invoice, it requested more information, thus delaying the report even further. The FWS has informed the Commission that not drawing funds and reporting in a timely manner could hamper access to future funding.

### **Recommendation**

1. We recommend that the FWS and the Commission work to develop and implement tracking systems to ensure that Federal financial reports are submitted in a timely manner and reduce the need for extension requests.

We provided a draft report to the FWS and the Commission for review. The Commission agreed with the recommendation and has begun to take the requested action. In its response dated May 24, 2018, the FWS concurred with the recommendation and indicated it will work with the Commission to implement corrective actions. We therefore consider the recommendation resolved but not yet implemented (see Appendix 3).

### **B. Appearance of Exceeding the Allowed Federal Share**

According to 50 C.F.R. § 80.83, the FWS may reimburse States up to 75 percent of grant-related expenditures, provided the States first expend their required matching share of costs. For its FWS grants, the Commission is required to submit FFRs to the FWS that accurately reflect the status of grant funds at the end of the grant period.

In addition, Federal regulations (2 C.F.R. § 200.302(a)) require that State accounting procedures and financial systems allow for the preparation of required reports and tracing of funds at a level that complies with grant reporting requirements. Overpayments made to the State must be recovered, according to 50 C.F.R. § 80.95(d); and 50 C.F.R. § 80.96 prohibits States from drawing Federal funds that would exceed the 75 percent Federal share, throughout the grant period, except in limited circumstances that require prior approval from the FWS.

Based on our review, the Commission did not appear to meet its matching share on four grants and appeared to receive excess reimbursement of \$203,589, as shown in Figure 1.

<b>Grant No. and Status</b>	<b>Total Claimed Costs</b>	<b>Federal Claimed Costs</b>	<b>75% Maximum Amount</b>	<b>Questioned Costs</b>
F08AF00115 (Open)	\$874,704	\$702,274 (80% share)	\$656,028	\$46,246
F09AF00162 (Open)	1,118,500	992,233 (89% share)	838,875	153,358
F12AF00288 (Closed)	143,007	110,965 (78% share)	107,255	3,710
F13AF01269 (Closed)	33,009	25,032 (76% share)	24,757	275
<b>Total</b>				<b>\$203,589</b>

Figure 1. Claimed and questioned costs for the Federal share of four of the Commission's FVS grants.

To determine whether the Commission met the matching requirements needed to earn Federal reimbursement, we verified that costs claimed were supported by sufficient costs recorded in the Commission's accounting system. We then determined that for four of the grants we examined, the costs reported on the FFRs exceeded the 75:25 ratio. The Commission checked only whether the claimed costs were below the approved grant amount, not whether the costs met the allowable cost-share ratio. On three of the four grants, the value of in-kind contributions was not included on the FFR or was included in the remarks section and not added into the State share line. After we issued a Notice of Potential Finding and Recommendations on this matter, the Commission acknowledged that it had omitted the value of in-kind contributions and that when those amounts were factored in the Federal share was not higher than 75 percent. As a result, the Commission submitted revised FFRs during our fieldwork showing the in-kind contributions and adjusted calculations.

For the two open grants, grants specialists had been advised that it was acceptable to draw down funds over the Federal share because they could ensure the correct match and use amounts prior to submitting the final FFRs. For the two closed grants and one of the open grants, the overage occurred because the Commission did not include the value of in-kind contributions as part of the State's matching share on the FFRs. As a result, the Commission and the FWS failed to confirm that the amounts met the 75:25 split at the time of the final FFR submission.

Based on our review, we would have questioned costs of \$203,589, the amount that appeared to exceed the allowable Federal share. The Commission's revised and resubmitted FFRs showed that the costs did not exceed the 75 percent allowed. No further action is required.

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# Appendix I

**State of Florida  
Fish and Wildlife Conservation Commission  
Grants Open During the Audit Period  
July 1, 2014, Through June 30, 2016**

<b>Grant Number</b>	<b>Grant Amount</b>	<b>Claimed Costs</b>
F08AF00115	\$3,854,319	\$874,704
F09AF00162	2,751,667	1,118,500
F11AF00462	150,905	117,658
F11AF00783	469,543	485,453
F11AF00911	80,000	121,338
F12AF00288	199,991	143,007
F12AF01031	523,800	483,800
F12AF01193	254,895	274,621
F12AF01257	450,113	415,394
F13AF00224	1,094,314	44,220
F13AF00304	162,750	160,855
F13AF00316	244,325	245,190
F13AF00325	1,503,219	1,504,955
F13AF00373	1,198,137	1,196,948
F13AF00374	403,457	398,659
F13AF00375	1,410,388	1,405,524
F13AF00428	424,892	418,500
F13AF00514	570,000	483,753
F13AF00529	636,384	644,163
F13AF00563	348,541	379,563
F13AF00641	304,965	306,330
F13AF00642	466,917	375,427
F13AF00721	436,748	384,882
F13AF00722	250,895	251,879
F13AF00762	21,720,038	16,719,875

<b>Grant Number</b>	<b>Grant Amount</b>	<b>Claimed Costs</b>
FI3AF00776	\$5,431,000	\$3,423,011
FI3AF00777	308,778	344,284
FI3AF00778	1,733,333	1,894,627
FI3AF00779	186,409	178,156
FI3AF00856	4,000	10,681
FI3AF00869	3,191,214	2,995,550
FI3AF00879	2,143,328	2,356,887
FI3AF00880	314,734	371,089
FI3AF00885	395,040	364,410
FI3AF01156	4,266,667	3,565,694
FI3AF01200	687,684	687,852
FI3AF01224	805,436	908,686
FI3AF01246	890,961	800,489
FI3AF01263	113,000	207,600
FI3AF01269	54,755	33,009
FI3AF01275	411,950	411,950
FI3AF01282	147,270	199,858
FI4AF00044	2,586,026	0
FI4AF00327	1,198,137	1,074,911
FI4AF00328	1,503,219	1,504,231
FI4AF00329	1,410,387	1,277,079
FI4AF00330	403,343	392,677
FI4AF00348	26,920	23,161
FI4AF00447	424,810	437,856
FI4AF00466	343,000	345,579
FI4AF00527	133,334	824,311
FI4AF00607	466,666	251,970
FI4AF00745	2,000,000	2,201,776
FI4AF00830	319,680	333,526
FI4AF00915	2,068,063	1,872,023
FI4AF00955	636,384	654,384

<b>Grant Number</b>	<b>Grant Amount</b>	<b>Claimed Costs</b>
FI4AF00957	\$215,757	\$230,363
FI4AF00972	4,000	8,491
FI4AF00974	24,735,175	17,833,691
FI4AF00994	300,321	61,772
FI4AF01077	192,000	0
FI4AF01083	4,412,833	4,605,781
FI4AF01095	429,563	386,433
FI4AF01096	280,568	280,244
FI4AF01097	240,000	311,990
FI4AF01149	587,628	582,260
FI4AF01319	741,001	858,344
FI4AF01328	44,918	20,461
FI5AF00011	932,034	745,973
FI5AF00198	32,340	17,621
FI5AF00232	1,435,983	1,436,303
FI5AF00240	1,070,853	1,020,277
FI5AF00375	1,601,532	1,586,947
FI5AF00376	424,327	419,522
FI5AF00386	403,343	299,062
FI5AF00789	3,964,564	3,786,499
FI5AF00790	1,724,788	1,948,788
FI5AF00823	4,000	4,631
FI5AF00825	33,234,599	21,467,653
FI5AF00891	215,757	214,726
FI5AF00893	636,384	649,230
FI5AF00996	429,564	423,098
FI5AF01011	280,568	298,198
FI5AF01214	2,283,333	1,738,789
FI5AF01215	320,000	340,719
FI5AF01222	587,628	273,457
FI5AF01241	741,001	266,347

<b>Grant Number</b>	<b>Grant Amount</b>	<b>Claimed Costs</b>
FI5AF01328	\$33,590	\$0
FI5AF01342	945,381	0
FI6AF00135	210,000	0
FI6AF00136	3,886,100	0
FI6AF00137	170,000	0
FI6AF00259	32,340	0
FI6AF00410	1,070,853	0
FI6AF00411	1,728,822	0
FI6AF00412	276,052	0
FI6AF00413	1,435,983	122,078
FI6AF00416	424,327	0
FI6AF00543	215,757	0
FI6AF00544	636,384	0
<b>Totals</b>	<b>\$168,088,682</b>	<b>\$121,142,263</b>

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# Appendix 2

**State of Florida  
Fish and Wildlife Conservation Commission  
Sites Visited**

**Headquarters**

Tallahassee

**Regional Offices**

Northwest Region

Northeast Region

Southwest Region

**Wildlife Management Areas**

Caravelle Ranch

Herky Huffman/Bull Creek

Three Lakes, Prairie Lakes Unit

Triple N Ranch

**Shooting and Archery Ranges**

Bay County Shooting Range

Klondike Archery Park

Palm Beach County Shooting Sports Park

Tenoroc Public Shooting Range

Triple N Ranch Shooting Range

**Other**

Blackwater Fisheries Research and Development Center

Kissimmee Fisheries Office

Palatka Riverfront Park and Boat Ramp

Palm Beach County Waterway Park

Tenoroc Public Use Area

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# Appendix 3

**State of Florida  
Fish and Wildlife Conservation Commission  
Status of Audit Recommendations**

<b>Recommendation</b>	<b>Status</b>	<b>Action Required</b>
1	We consider the recommendation resolved but not implemented.	<p>Complete a corrective action plan that includes information on actions taken or planned to address the recommendation, target dates and title(s) of the official(s) responsible for implementation, and verification that FWS Headquarters officials reviewed and approved the actions taken or planned by the State.</p> <p>If not implemented at the end of 90 days (after October 1, 2018), we will refer the recommendation to the Assistant Secretary for Policy, Management and Budget for implementation tracking.</p>



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